

Administration's Energy Policy	Consequences to California Consumers
Energy Policy	<p><b>Proposed Policy Continues Uncertain Regulatory Environment.</b> Since the energy crisis (2000 – 2001), the state has lacked a clear vision for its energy future. A clear energy policy is needed to provide regulatory certainty and market stability to support investment in new power plants. “Free market” rhetoric does nothing to begin laying the foundation for the policies needed to provide stability and predictability in the energy market. <b><i>Consumers face an uncertain energy future, with no clear policy.</i></b></p>
Re-establish Customer Choice on or before 01/01/06	<p><b>Customer Choice Will Not Stimulate Investment in Power Plants.</b> California's demand for electricity continues to grow, and new power plants must be built to meet that demand. Investments in new power plants will not be made without regulatory certainty and market stability. Allowing customer choice will not get new power plants built and eliminates any hope for near-term market “stability” or “certainty”. <b><i>Consumers could face another round of blackouts and skyrocketing energy prices.</i></b></p>
Accelerate Resource Adequacy Requirements for Reserve Power	<p><b>Accelerated Requirements Create “Seller's Market”.</b> In January 2004, the CPUC doubled the amount of reserve power utilities are required to buy by 2008. Subsequently, the Administration asked the CPUC to require utilities to purchase the reserve power by 2006, through long term contracts. By doubling the amount of power utilities are required to buy and cutting in half the amount of time to buy it, unregulated sellers of electricity will be back in control of our energy future. The Administration's policy places most of the control in the hands of one unregulated generator (Calpine) as it holds the vast majority of existing permits to build new power plants. <b><i>Consumers will be at the mercy of the market, and those who manipulate it.</i></b></p>
Resource Adequacy Requirements Apply Equally to All Load Serving Entities	<p><b>Legislative Action Needed to Ensure Fair Implementation and Enforcement.</b> Absent legislation, the CPUC does not have clear legal authority to require unregulated load serving entities to provide power where and when it is needed to support local and system reliability. <b><i>Consumers served by regulated utilities could bear a disproportionate amount of the costs to ensure system reliability.</i></b></p>
Full AB 57 Implementation	<p><b>Part of the Solution, Not “The Whole” Solution.</b> Following the energy crisis, AB 57 was enacted to get the state out of the power buying business. The CPUC implemented AB 57, and utilities resumed purchasing power on January 1, 2003. The Administration asserts that “full implementation of AB 57” is all that is needed to ensure reliable, affordable electric service. However, AB 57 did not address critical energy policy elements such as resource adequacy, long-term integrated resource planning, or the recovery of the full cost of contracting, including debt equivalence and collateral. <b><i>Consumers deserve a comprehensive energy policy solution, not a partial one.</i></b></p>
Open, Transparent, Competitive Market / “Best Deal” for Consumers	<p><b>“Open, Transparent Competitive Process” Does Not Translate Into The “Best Deal” For Consumers.</b> The now defunct Power Exchange was an “open transparent competitive process” which allowed massive market manipulation by unregulated generators, resulting in billions of dollars in excess energy costs. <b><i>For consumers, power at any price is not an option.</i></b></p>